G. R. S. IX-5]

Previous references.

File No. 351-16

1916.

Serial Nos. 182

(Gen Ins)

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for December 1916

SUBJECT.

Development of Local Self Govt.

Office Memorandum forwarding a copy of above Order 3005-55 / ML. 132-16-1 for taking further action

W D 88—GPB—50,000—24-7-18

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No.

FILE HEADING.

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First Sheet.

C. S. 233
17. 11. 16.

2

G. R. S. 12]

General and Revenue Secretariat. | File No. | of 191 .

Serial No.

Note by Comm (informal)

The trial dry fort scheme will be developed, under the supervision of the 2nd Member, by Mr Typaraya Iyer assisted by Mr Ramadoray Iyer

16.11.16

Adopted in Govt order dated 16/11

1 Draft O.M. dated 16/11

CS

3 The draft O.M. may be approved. I have made marginal notes of his intention of this Council decision)

Dewan 17/11

2834/17.11.16

4 Draft approved by the Dewan

24. 11. 16.

Minutes dated 24/11

24/11/16

NOTE—Contn. sheet.

GPB—70,000—17-12-15

3

G. R. S. 12]

4662

General and Revenue Secretariat.

G. R. File No. 351 of 1916.

Serial No.	
1	Office Memorandum No. G. 6413 dt 21. 11. 16 The Local self-Govt scheme sanctioned vi G.O. No. 3005-55/Jud 32-16-1 dt 16th Nov. 1916 will be developed under the supervision of the 2nd Member by Rao B. Thyagaraja Iyer who will be assisted by Rao Sahadevaiya as Secy. in charge of Branch iv.
2	Memo. no. 3346-52 dt 25. 11. 16 Forwards a copy of Local self Govt. order for necessary action if any - Subd for perusal of the order. KN. 29/11 Are there any points on which this Branch has to take action? W/30/11/16 No action on any point is necessary in this Branch KN. 14/12 W/15/12/16

NOTE—Contn. sheet.

GPB—70,000—17-12-15

Bangalore,
21st Novr., 1916.

OFFICE MEMORANDUM.

The Local Self Government Scheme, sanctioned in Government Order No.3005-55/ Ml.32-16-1, dated the 16th November 1916, will be developed, under the supervision of the Second Member of Council, by Mr. V.R. Thyagaraja Iyer, now on special duty, in addition to his present work.

2. Mr. Thyagaraja Iyer will be assisted in this work by Mr. Mahadevayya, Assistant Secretary in charge of Branch IV.

By order,

Secretary to Govt.
General Department.

KV G.m-351-16

No. 3346-52 Dated Bangalore 25th November 1916.

Government of His Highness the Maharaja of Mysore.

DIARY NO. 46 General & Revenue Secretariat.

28/11/16

19 -19
SECTION G.m
357-16
2

Office Memorandum

A copy of the Government Order No.3005-55 M1.132-16-1 of 16th November 1916 passing orders on the development of Local Self Government in Mysore is forwarded with compliments to the Secretary in charge of Branch V

Under and favour of taking further action, if any, for information needed in his Branch.

By order,

Mahadevappa

for Offg. Secretary to Government,
Revenue Department.

MRN. 8.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. 3005-55—Ml. 132-16-1, dated 16th Nov. 1916.

Local Self-Government in Mysore.

Passing orders on the Scheme for the development of—

WD 1262—GPB—1,000—18-11-16

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G. O. No. 3005-55—Ml. 132-16-1, dated 16th November 1916.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

Order No. 3005-55—Ml. 132-16-1, dated 16th November 1916.

PRELIMINARY.

Brief History of Local Self-Government in Mysore.—The first step in creating local bodies for the control of local affairs was taken in the State in the year 1862 when Municipal Committees were experimentally constituted for the cities of Bangalore and Mysore. The measure having proved a success, similar Committees were formed for the remaining district head-quarter towns and gradually for other towns also. By 1872-73, there were fifty-eight municipalities serving the needs of an urban population of nearly 5,00,000 with an annual income of Rs. 3½ lakhs. The next step was the constitution in 1874 of District Committees in rural areas for the administration of local funds levied within the district, to provide for works and undertakings, such as roads, wells and other sources of water-supply, hospitals, *dharmasalas*, markets, etc. These Committees were constituted and worked under the executive orders of Government, except in the case of Bangalore and Mysore cities. The need for placing the working of these bodies on a statutory and definite basis was indeed felt very early, but practical action was taken only after the institutions had been working for well-nigh half a century. The Local Boards Regulation came into force in 1902 and the Municipal Regulation in 1906.

2. *Reasons for a Forward Step.*—The question of enhancing the usefulness of these bodies for improving local administration has engaged the attention of the public and been pressed on the notice of Government for some time past. In a letter to the Government of India, His Highness' Government wrote in 1885 "In working these Committees it has been found difficult to awaken in the minds of the non-official members most interested in the administration of local funds, a full sense of their powers and duties and the whole administration of the funds has practically fallen into the hands of Government officers. This is chiefly owing to the preponderance of the official members and to the undefined and almost unlimited subordination of the Committees to Government officials in the administration of the funds." These remarks would apply with equal force at present, especially with regard to District and Taluk Boards and minor municipalities, in spite of the advance in education and enlightenment in recent years. There is reason to believe that the apathy displayed by the non-official members of the local bodies is attributable to a great extent to—

(1) the deficiency of the elected popular element,

(2) the want of reasonable powers of disposal over their funds, and

(3) interference in details exercised by departments of Government over the affairs of local bodies.

Government therefore consider that the time has come to review the progress made and to take such forward steps as may be necessary in order to associate the people more largely with the administration of local affairs.

3. *Investigation by two Committees and a Conference.*—In February 1914, a Committee was constituted with Rajasevadhurina Mr. M. Kantaraja Urs, C.S.I., as Chairman and the marginally named gentlemen as members, to consider what improvements were necessary in the constitution and functions of local bodies. In accordance with G. O. No. G. 9260-3—G. M. 67-13-264, dated 15th May 1914, another Committee was formed under the chairmanship of Rajamantrapravina Dewan Bahadur Mr. C. Srinivasa Iyengar, with the gentlemen whose names are noted in the margin as members, to investigate the scope of operation and financial organisation of the several local funds and to propose measures for their revision and for placing local finances on a satisfactory footing. The reports of the two Committees which were published respectively, in May and June 1915, contain a full discussion of these subjects. The thanks of Government are due to the members of the two Committees for the careful and satisfactory manner in which they went into the questions and for the valuable reports submitted by them.

Mr. K. P. Puttanna Chetty.
" P. Raghavendra Rao.
" K. Chandy.
" P. G. D'Souza.
" B. Srinivasiengar.
" H. Ramaiya.
" M. C Ranga Iyengar.
" A. Ramanna.
" D. Venkataramaiya.
" C Seshadri Iyengar.
" C. Subba Rao
" B. Narasinga Rao.
" K. Shankaranarayana Rao.
A. V. Ramanathan (Secretary).

Mr. K. P. Puttanna Chetty.
" A. Rangaswami Iyengar.
" C S. Chakravarti.
" T. R. Subbaroyer.
" D. Venkataramaiya.
" C. S. Dorasami Iyer.
N. S. Subba Rao.
" S. P. Balakrishna Rao.
" S. Shamanna (Secretary).

In June 1915, on the initiative of certain leading non-official gentlemen, a Local Boards Conference, presided over by Rajasabhabhushana Dewan Bahadur Mr. K. P. Puttanna Chetty, was convened to discuss the whole question of reforms in local self-government. This Conference, on which nearly all the local bodies in the State were represented, considered the recommendations of the two Committees referred to above and placed Government in possession of the views of the public on all the important questions involved.

The specific recommendations made by them will now be discussed and the decision of Government as to the practical action to be taken on each will be indicated.

MUNICIPALITIES.

4. *Classes of Municipalities.*—Taking municipalities first, there are two classes of municipalities at present, *viz.*, those governed by the Municipal Regulation of 1906 and those governed by executive orders. The number of such municipalities at the end of 1914-15, as compared with that in 1906-07, is given in the accompanying table together with particulars of income.

Statement showing the number of Municipalities classified according to their income.

Serial Nos.	District	Under Rs. 1,000		Rs. 1,000 to Rs. 1,500		Rs. 1,500 to Rs. 2,000		Rs. 2,000 to Rs. 3,000		Rs. 3,000 to Rs. 4,000		Rs. 4,000 to Rs. 5,000		Rs. 5,000 to Rs. 10,000		Rs. 10,000 to Rs. 15,000		Rs. 15,000 to Rs. 20,000		Over Rs. 20,000		Total		Number of Regulation Municipalities		Number of Non-Regulation Municipalities		Remarks
		1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	1906-07	1914-15	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1	Bangalore ...	...	...	1	...	1	1	3	5	3	4	3	1	1	1	...	...	..	...	1	1	13	13	1	6	12	7	
2	Kolar	2	1	...	1	3	1	...	2	1	...	...	2	3	1	2	2	...	...	...	1	11	11	...	6	11	5	
3	Tumkur ...	1	...	...	2	2	1	1	...	3	2	1	3	1	1	1	...	...	...	...	1	10	10	...	2	10	8	
4	Mysore ...	2	1	...	2	4	2	4	7	4	1	1	1	1	4	2	...	...	...	1	2	19	20	1	11	18	9	
5	Hassan ...	...	...	...	...	...	...	2	...	4	3	...	1	1	3	1	1	...	...	..	...	8	8	...	2	8	6	
6	Shimoga ...	1	...	...	3	1	...	5	2	1	1	...	...	1	3	...	...	...	...	1	1	10	10	...	2	10	8	
7	Kadur ...	...	...	...	...	3	2	...	1	2	...	...	1	1	2	1	1	1	...	...	1	8	8	...	4	8	4	
8	Chitaldrug ...	...	...	...	...	4	...	2	1	...	4	1	...	1	2	...	1	1	...	...	1	9	9	...	3	9	6	
	Total ...	6	2	1	8	18	7	17	18	18	15	6	9	10	17	7	5	2	...	3	8	88	89	2	36	86	53	

The table shows that though the number of regulation municipalities has increased during the period, there are still a large number of municipalities administered under executive orders.

5. The Local Self-Government Committee suggest that three classes of municipalities may be recognised in the State, *viz.*, city, town and minor municipalities. According to them, the existing non-regulation municipalities should not be disestablished but should be brought under the Regulation as minor municipalities, the more complex provisions of the Regulation being declared inapplicable to them. Government accept these views which are endorsed by the Conference, with the modification that the limits of population for town and minor municipalities will be 5,000 and 2,000, instead of 7,000 and 2,500, respectively, proposed by the Committee. As a result of fixing this limit, many towns which have municipalities now—regulation and non-regulation—may be deprived of the privilege of municipal self-government, but Government reserve to themselves the right to extend the Municipal Regulation to such of them as by past experience have become entitled to retain the privilege. On the other hand, as some towns containing the prescribed population may not yet be ripe for municipal administration, Government will introduce in the Regulation an enabling provision so that the rule may not act automatically in every case.

It is observed that beyond recommending this classification, the Committee offer no detailed suggestions as regards the varying powers to be given to, and degrees of control to be exercised over, the different classes of municipalities. Government are of opinion that a greater degree of control would be necessary, at least for some time to come, in the case of minor municipalities, where there may be little or no public spirit.

6. *Constitution.*—As regards the constitution of municipal councils, Government accept the recommendation of the Conference that the number of elected councillors should be not less than two-thirds of the total strength in city municipalities, half in town and one-third in minor municipalities. But in respect of the two latter they reserve discretion to increase the number of elective seats in special cases.

7. *Chairmen.*—The Municipal Regulation, as it stands, provides for the election of both President and Vice-President, if Government so direct; but till recently, these officers have been generally nominated officials. Government are prepared to accept, as a general policy and so far as conditions allow, the principle recommended by the Local Boards Conference, of the election of Presidents and Vice-Presidents in city and town municipal councils. They also consider that in city municipalities the alternative of a full time paid President who may not necessarily be an official should be provided for in the Regulation. In minor municipalities, unless competent men are available, the President will continue to be nominated by Government, the Vice-President being, where possible, elected by the municipal council.

8. *Chief Executive Officers.*—It is likely that elected Presidents and Vice-Presidents will ordinarily be busy professional men who cannot devote their full time to superintend the details of municipal work. Moreover, frequent change in the executive head is detrimental to continuity of policy and administrative efficiency. Hence it is necessary that municipal councils should employ paid permanent men, so far as their funds permit, to attend to the routine executive work under the control of, and in subordination to, the Presidents and Vice-Presidents. The Municipal Regulation contains a provision for the appointment of a Chief Officer in city municipal councils for this purpose. This provision may be extended to town municipal councils also with necessary modifications; and an official of suitable rank may be appointed for the corresponding duties in minor municipalities if there is sufficient work for him.

9. *Enlarged powers.*—The Committee point out that while the Regulation invests municipal councils with very wide and comprehensive powers, the actual control exercised by Government is very large. It has been recognised everywhere that such amount of outside control is very necessary and is not incompatible with local self-government. But such control should be limited to broad questions of policy. In accordance with this view, Government increase the powers now exercised by the municipal councils as indicated below.

According to the Municipal Regulation the budget of every municipal council should be submitted through the Deputy Commissioner to Government who may sanction it with such modifications as they deem fit. It has been frequently

represented that advantage is taken of this large and comprehensive provision for exercising very minute interference in details. Government agree that there is much force in this view. They consider that only the budgets of city and town municipalities should come up to them for sanction and that it would be sufficient if the budgets of minor municipalities are scrutinised and sanctioned by the Deputy Commissioners. Ordinarily, the scrutiny of the Government or the Deputy Commissioner, as the case may be, will be limited to the following points :—

(*a*) Whether the budgetted receipts are framed with due regard to the actuals of the previous years.

(*b*) Whether the prescribed closing balance is maintained.

(*c*) Whether due provision has been made for the repayment of loans, if any, due to Government or to others, and for contributions for services rendered by Government departments.

(*d*) Whether there is any extravagant expenditure on establishments (Section 177 of the Municipal Regulation).

(*e*) Whether all the standing orders and rules framed by Government are duly observed.

The interference of the sanctioning authority in other matters should be as limited as possible. The municipal councils will also be given the power to make reappropriations of budget grants both under major and minor heads, and to sanction additional grants without trenching on the prescribed minimum balance except for the purpose of increasing expenditure under establishment.

As against these enlarged powers, Government reserve to themselves the right of making a half-yearly local audit of municipal accounts and for this purpose a certain percentage of establishment charges incurred will be debited to the municipal councils concerned. The Deputy Commissioners will be authorised to review all municipal administration reports except those of the city municipalities.

10. *Increased Scope of Work.*—The Local Self-Government Committee and the Conference recommend that the administrative control of elementary education, medical relief including vaccination and *muzrai* institutions be vested tentatively under proper safeguards, in selected municipal councils. Government have no objection to try as an experimental measure the system of gradually transferring the control of elementary education and medical relief to municipal councils. When the municipal councils concerned make definite proposals in this behalf, they will receive favourable consideration. As regards *muzrai* institutions, Government are not in favour of the transfer of all of them to the control of municipal bodies. Minor institutions may be so transferred as circumstances permit; but in the case of major institutions, the better course appears to be to vest them in committees of their respective devotees as contemplated in the Muzrai Regulation.

11. *Municipal Resources and Taxation.*—The income of 89 municipalities at the end of 1914-15 amounted to Rs. 10,79,916. About 32·8 per cent of this was from octroi. House-tax and mohatarfa contributed 21·1 and 8·8 per cent, respectively. The expenditure of the same year was Rs. 11,98,328. The incidence of taxation per head of population was about Rs. 1-8-8.

12. The Local Finance Committee have no suggestions to make as regards fresh sources of income and their recommendations are confined only to the readjustment of the shop tax and octroi. They suggest that (1) octroi may be abolished and replaced by terminal taxes on goods in municipalities situated on railway lines and (2) that, in lieu of the *mohatarfa* shop tax, profession taxes on the same scale as in Madras might be levied. They also recommend the enhancement of the house tax. There are no data at present available to show how far the adoption of these recommendations will result in any appreciable increase of revenue. In their order dated 26th March 1912, Government have laid down their policy with respect to the abolition of octroi and it does not seem possible to go further at present. They, however, consider that there is great scope for augmenting the revenues of municipalities by better and more systematic enforcement of the existing powers of taxation and by proper collection of their current demands. The rates of house tax are in many instances unduly low and no systematic action is taken to revise the classification of houses and buildings with reference to their

market value. From the latest administration report it is seen that only 87 per cent of the current demand and 38 per cent of the arrears of previous years were collected. Government would urge on all the municipal councils the importance of obtaining the maximum income under the present rules and of taking every opportunity of increasing their resources. Each municipality may submit to Government definite recommendations suited to local conditions for any modification of the existing system of municipal taxation, *e.g.*, abolition of octroi and replacement of any of the taxes by others suggested by the Committee on local finance. Government are in agreement with the view of this Committee that the income of municipalities should be derived from a few direct sources which can be easily and economically collected and accounted for, and that their expenditure should be limited to those services which secure the greatest benefit without a disproportionate outlay on general or supervising establishments.

13. The Local Finance Committee also recommend that municipal councils be empowered to raise loans from the public for productive works. Legislative action to give effect to this has already been taken and it is for the municipal councils themselves to submit definite proposals to Government. As regards the question of grants-in-aid they are being sanctioned in the case of municipalities for useful works such as sanitation, water-works, drainage, etc., involving heavy outlay. As far as funds are available, Government are prepared, as a general rule, to grant half the capital cost for schemes duly approved by Government, provided the municipal council satisfies Government of its ability to raise the other half and to meet the annual maintenance charges. In places where exceptional difficulties exist in this respect, there will be no objection to give special aid as occasions may arise, for water-supply and other large and urgent schemes of public improvement.

14. To carry out the above scheme for the development of local self-government in municipal areas, the Municipal Regulation will have to be amended; detailed rules framed in regard to the various matters dealt with above; and most of the non-regulation municipalities will have to be re-constituted on a statutory basis. A draft Regulation and rules embodying all the changes will be circulated to all regulation municipalities for their views and suggestions.

LOCAL BOARDS.

15. *Proposals of the Local Self-Government Committee.*—With regard to the Local Boards in rural areas, the Local Self-Government Committee supported by the Conference have made certain far-reaching proposals calculated to raise the importance and powers of Taluk Boards and Unions. Under the existing Local Boards Regulation, the Taluk Boards and Unions are merely the agents of the District Board with authority to discharge such duties and functions as may be delegated to them by the latter. As no such delegation has been made, they are merely consultative assemblies and have not hitherto served any very useful purpose in rural boards administration.

The Committee have recorded the opinion that the Mysore Local Boards Regulation is illiberal in the conferring of powers on Local Boards; the Taluk Boards have been wholly inactive; the *personnel* of the Taluk Boards has been unsatisfactory; the funds at the disposal of Local Boards are inadequate; and that the system saps the very spirit of local self-government and should be abolished wholesale. It is complained that a large portion of district funds is now spent through the Public Works Department, that the Local Boards are fettered by many restrictions by Government and that there is undue centralization. A large number of recommendations have been made by the Committee for the re-organisation of Local Boards. The scheme suggested by the Committee is briefly to constitute Taluk Boards as incorporated bodies, having their own independent funds, with authority to frame their own budgets, and exercising all the functions of the District Boards within the limits of their jurisdiction. It is also proposed to raise the status of Unions and make them more independent.

The Committee have, in paragraphs 49 to 53 of their report, submitted a detailed working scheme to give effect to their recommendation, defining the specific powers which they wish to see allotted to Unions, Taluk Boards and District Boards.

16. *Modifications of the proposals.*—Government accept the general principles on which the Committee's scheme is based, but would modify the scheme on a few essential points.

(1) First as regards constitution, it is desirable that there should be an elected majority in all rural boards, and that the proportion of the elected element should be, not less than two-thirds in District Boards and half in the case of Taluk Boards. The rules regarding elections will be revised so as to empower graduates, advocates and pleaders to vote at, and stand for, election. As a rule, either the President or the Vice-President of a rural board should be elected. Under present conditions, it will not be possible to have elected Presidents in the case of the majority of the Boards; but in all such cases, the Vice-Presidents may, as far as possible, be elected. A carriage allowance may be granted to them, if necessary.

(2) It is proposed by the Committee that the area of the Taluk Boards should be, not the recognised unit of the taluk but the revenue sub-division which consists of one or more revenue taluks. Government consider that the balance of advantage lies in favour of having the taluk as the unit, and accordingly direct that the existing provision under which each taluk has a board of its own may be adhered to, but its powers be enlarged as recommended by the Committee.

(3) The definition of the spheres of work between the Taluk and the District Boards outlined by the Committee would suggest that the District Boards would be merely supervising bodies with no distinct functions of their own. It is very necessary that the vitality of the District Boards should not be sapped by leaving them practically nothing to do. The proper course appears to be that the District Boards should take up under their own control those functions and services which require a co-ordinated organization throughout the district and delegate to the Taluk Boards such functions as could be more or less localised. For instance, the Taluk Boards may be given the control of markets, slaughterhouses, travellers' bungalows and *musafirkhanas*, planting and care of avenue tress on roads in their control, cattle pounds, etc., while the District Boards may retain the construction and maintenance of roads, which pass through a large portion of the district, construction of large public works, maintenance of relief works, whenever necessary, management of ferries, etc. The actual distribution of functions in each district will have to depend upon local circumstances and each District Board may submit proposals in this connection to the Government for sanction. The allotment of funds will, under this suggestion, follow the duties assigned to each Board; but it may be laid down as a statutory rule, that not less than one half the proceeds of the local cess in each taluk shall be placed at the disposal of the Taluk Board concerned.

(4) One important suggestion made by the Committee is about the employment of a separate engineering establishment by local bodies to carry out public works instead of entrusting them to the State Public Works Department as at present. The proposal will involve a redistribution of charges in the Public Works Department but Government will be prepared to consider any proposal for the transfer of District Fund works to the Local Boards concerned, wherever the latter are ready to take over such works.

(5) The Committee have left the question of village organisation out of consideration in their scheme. But a system of local self-government will be incomplete unless every village in the State is also brought under some form of statutory organisation. Under the existing system, unions are constituted under the Local Boards Regulation in a few villages and the remainder are not properly looked after. It is necessary to introduce some definite organisation into a larger number of villages. For this purpose it is proposed to place the Village Improvement Committees already working in the State on a statutory basis under the supervision of the Taluk Boards concerned, as herein-after explained.

17. Under the scheme suggested, the existing system of Union administration will be abolished and power will be taken to constitute Village Committees for all the villages in the State. These Committees will be designated "Village Panchayets." The number of members will not be less than three nor more than seven. The majority of the members will be elected and they will have an elected President, not necessarily the Patel or the Shanbhog of the village.

No. 3005-55--Ml. 132-16-1, dated 16th November 1916.

The Panchayets will have three distinct functions as under:—

i. Ordinary duties connected with the maintenance of roads, sanitation, water-supply, drainage, etc.

ii. Improvement work, as specified in the Village Improvement Scheme.

iii. All other communal work connected with education, irrigation, pasture lands, village forests, village courts, etc.

Provision will be made in the Regulation to enable Government to extend the functions of the Panchayets, as circumstances permit, in selected villages, with regard to the supervision and control of village education, and other communal interests as provided in Clause (iii).

As regards finances, the income from local taxation in the village and other sources, such as, grants from Government or District or Taluk Boards will be constituted into a Village Fund which should be administered by the Panchayets. They will have their own budgets and their own establishment and will be vested with powers to raise an additional cess when necessary, subject to such conditions as may be laid down in this behalf. Generally, they should be self-supporting and a set of simple accounts will be prescribed for their use.

The effect of these proposals will be to co-ordinate and systematise all the various orders issued by Government for the improvement of rural areas and bring those areas under the Local Self-Government scheme.

The necessary provisions giving effect to these changes will be incorporated in the amended Local Boards Regulation.

18. *Enlargement of the Functions of District and Taluk Boards.*—The Local Self-Government Committee recommend that, besides the functions assigned at present to the rural boards, the control of primary education, medical relief, veterinary dispensaries and *mazrai* institutions may be handed over to them. As already decided with regard to municipal councils, there is no objection to hand over the control of primary education, medical relief and the care of veterinary dispensaries to the District and Taluk Boards. As in the case of Municipal Councils, some minor *mazrai* institutions may also be placed under the control of the Local Boards.

Under clause J of Section 7 of the Local Boards Regulation, the District Board may take up any other local works or measures likely to promote the health, comfort, convenience and welfare of the public. Owing to paucity of funds, very little work outside the usual functions assigned to them appears to have been taken up by the District Boards so far. In England and other countries, the tendency is to develop the District Councils so that their activities may range over all matters calculated to promote the welfare of the public. The ideal that Government desire to keep in view is to develop the District Boards gradually into real District Councils. But, for the present, Government consider that in matters which do not ordinarily come within their functions, such as local questions connected with the general administration of the district, the District and the Taluk Boards may be authorised to pass and submit resolutions for the consideration of Government, under rules to be framed in this behalf.

19. *Finances of the District and Taluk Boards.*—The Local Finance Committee have dealt exhaustively with the question of the finances of the rural boards. The outstanding feature of their financial situation is the want of elasticity of revenue and the consequent difficulty to meet the growing demand for increased expenditure on the services already undertaken or to undertake fresh services. It is stated by the Committee that fresh sources of income cannot be easily devised and that grants-in-aid from Government are necessary to enable the Boards to discharge their allotted functions satisfactorily. Their recommendations may be thus summarised:—

(i) (*a*) The Local Fund General may be abolished, the services now maintained by it being distributed between District Funds and Government according to their character.

(*b*) The Village School Fund may be similarly abolished and primary and vernacular education in rural areas transferred to District Boards.

(*c*) The District Board in each district may take up all the functions that are suitable for local bodies, including primary education, the entire cess and other

receipts of the Local Fund General and Village School Fund being transferred to that body.

(ii) To enable District Boards to discharge all their functions, a sum of Rs. 23 lakhs is estimated to be necessary. Towards this, a Government grant-in-aid of Rs. 7 lakhs is suggested in addition to the transfer of the whole of the *mohatarfa* now credited to general revenues amounting to about Rs. 3 lakhs.

The net result of their proposals for the reorganization of the existing funds will be as shown below:—

RECEIPTS.

	Rs.
Average receipts under District Funds for three years ending 1914-15 ...	8,95,122
Average receipts under Local Fund General for the same period ...	2,13,447
Average receipts under *mohatarfa* for the same period	2,63,486
	13,72,055
Add Village School Fund—average for the same period	2,38,519
	16,10,574

Exclusive of the Village School Fund, the receipts for the District Fund will thus be increased by over 50 per cent if the Committee's proposals are sanctioned.

20. Government approve of the recommendations of the Committee as regards the abolition of the Local Fund General and the transfer of the charges now debited to that Fund to Government. Whatever may have been the reasons for constituting it originally as a distinct fund, the paucity of funds in the hands of local bodies leaves little justification for appropriating a part of the local cess for meeting the cost of services which are provincial in character.

21. The assignment of the *mohatarfa* to local bodies which is recommended by the Committee involves a sacrifice of general revenues to the extent of Rs. 2,63,000. In view, however, of the great need for increased funds for the District Boards and for stimulating their activities, Government accept this recommendation.

22. The question of the Village School Fund stands on a different footing. It does not appear desirable to merge this fund which is devoted to the promotion of primary education in rural areas into the general balances of the District Boards. Government have accepted the recommendation of the Local Self-Government Committee that the control of primary education should be gradually transferred to Local Boards. When this recommendation is fully given effect to, the Village School Fund will be practically transferred to the local bodies. Till then, separate accounts will continue to be maintained for the fund.

23. In addition to the assignment of the Local Fund General and the *mohatarfa*, the Local Finance Committee have recommended that a lump sum grant estimated at about Rs. 7 lakhs should be given by Government to the Local Boards. It is understood that the Committee intended that this grant-in-aid should be given gradually. Government, however, are of opinion that the consideration of this question may be postponed till the Boards show some capacity for self-help and make serious efforts to increase their revenues. By the assignment of the Local Fund General and *mohatarfa*, an addition of over 50 per cent, as already stated, has been made to their income and no further financial help can be given by Government at this stage. It is, however, open to any District Board to approach Government for grants-in-aid equal to any additional revenue they are able to raise.

24. *Provision for Local Improvements and other Development Schemes.*—In addition to these measures, Government consider it desirable that District and Taluk Boards should have power to raise loans for the purpose of undertaking or financing important improvement and development projects in the areas concerned. District Boards can now borrow under the Regulation subject to the sanction of Government. Taluk Boards which will be incorporated bodies under the proposed scheme may also be expressly empowered by legislation to borrow subject to the sanction of Government.

In order to guarantee re-payment of such loans or to accumulate funds for specific purposes, the District and Taluk Boards may be empowered to levy a special cess within their respective jurisdictions. The levy of such a special cess should be agreed to by a three-fourths majority of all the non-official members of the Taluk Board or District Board, as the case may be, present at a special meeting to be held for the purpose, and should be approved by Government.

25. The loans so raised will be utilised for the objects referred to in Section 7 of the Local Boards Regulation as well as for the agricultural and economic improvement of the areas concerned, including construction of irrigation works and water supply tanks and canals, special repairs to the same, water supply and drainage works in rural areas, roads and tramways, village extensions, demonstration farms, encouragement of rural industries, etc.

CONCLUSION.

26. It will be observed that a considerable increase of powers and functions of the local bodies has been sanctioned and it rests with the local authorities to exercise these powers with due caution and in the best interests of the areas under their control. Government desire to state that, with a view to safeguard the efficiency of local administration, they will not hesitate in cases of proved incompetence or default by local bodies to withdraw any of the powers granted and to ensure efficient performance of their duties by the exercise of the authority vested in them by law. For some time to come, Government will endeavour, as far as possible, to render assistance to any Municipality or local body by lending them trained executive or engineer officers to work under them. Government, however, hope that under the operation of these orders, a spirit of self-help and initiative will grow up which would enable local bodies to train their own staff and provide for all their wants by developing local energy and resources.

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Offg. Secy. to Govt., Rev. Dept.

To The Presidents of the Bangalore and Mysore City Municipal Councils.
The Deputy Commissioners of Districts.
The Presidents of District Boards.
The President, Kolar Gold Field Sanitary Board.
The President of the Shimoga Municipal Board, through the Deputy Commissioner, Kadur District.
The Secretary, Mysore Economic Conference.
The Heads of Departments.
The Chairman, Local Self-Government Committee.
The Chairman, Local Finance Committee of the Mysore Economic Conference.
The President, Local Boards and Municipal Conference of 1915.

THE PRESS TABLE.